

ASPIRA, INC. OF NEW JERSEY
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1991
AND SUPPLEMENTARY INFORMATION
AND AUDITOR'S REPORT

ASPIRA, INC. OF NEW JERSEY
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1991
AND SUPPLEMENTARY INFORMATION
AND AUDITOR'S REPORT

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SOL MASCH & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
1930 GRAND AVENUE
BALDWIN, NEW YORK 11510

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Directors
Aspira, Inc. of New Jersey

We have audited the accompanying balance sheet of Aspira, Inc. of New Jersey as of June 30, 1991, and the related statement of support, revenue and expenses and changes in fund balances, changes in financial position, and functional expensess for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aspira, Inc. of New Jersey as of June 30, 1991, and the results of its operations and the changes in its fund balances and its financial position for the year then ended, in conformity with generally accepted accounting principles.

Sol Masch + Company

Baldwin, New York
October 4, 1991

ASPIRA, INC. OF NEW JERSEY

BALANCE SHEETJUNE 30, 1991

| | CURRENT FUNDS | | FIXED ASSET FUND | TOTAL ALL FUNDS |
|--|-------------------|-------------------|------------------|-------------------|
| Unrestricted | Restricted | | | |
| <u>A S S E T S</u> | | | | |
| Cash | \$ 237,895 | \$ 17,520 | - | \$ 255,415 |
| Grants receivable | - | 58,284 | - | 58,284 |
| Due from The Aspira Association, Inc. (Note 4) | - | 23,840 | - | 23,840 |
| Property, equipment and improvements (net) (Note 1) | - | 4,780 | 40,727 | 45,507 |
| Other assets (Note 2) | 8,197 | 600 | - | 8,797 |
| Interfund transfer | (15,276) | 15,276 | - | - |
| | <u>\$ 230,816</u> | <u>\$ 120,300</u> | <u>\$ 40,727</u> | <u>\$ 391,843</u> |

L I A B I L I T I E S A N D F U N D B A L A N C E S

| | | | | |
|---|-------------------|-------------------|------------------|-------------------|
| Accounts payable and accrued expenses | \$ 3,939 | \$ 2,043 | - | \$ 5,982 |
| Grant advances | 10,130 | 106,056 | - | 116,186 |
| Due to The Aspira Association, Inc. (Note 4) | - | 7,464 | - | 7,464 |
| Total liabilities | 14,069 | 115,563 | - | 129,632 |
| Building fund (Note 5) | 86,084 | - | - | 86,084 |
| Fund balances | 130,663 | 4,737 | 40,727 | 176,127 |
| | <u>\$ 230,816</u> | <u>\$ 120,300</u> | <u>\$ 40,727</u> | <u>\$ 391,843</u> |

The accompanying notes are an integral part of
these financial statements.

ASPIRA, INC. OF NEW JERSEYSTATEMENT OF SUPPORT, REVENUE AND EXPENSESAND CHANGES IN FUND BALANCESYEAR ENDED JUNE 30, 1991

| | CURRENT FUNDS | FIXED ASSET FUND | TOTAL ALL FUNDS |
|---|-------------------|------------------------|-----------------------|
| | Unrestricted | Restricted | ----- |
| Public Support, Grants and Revenue: | | | |
| Corporations and foundations | \$ 188,725 | \$ 144,817 | \$ 337,736 |
| Government grants | 10,000 | 277,596 | - |
| Transfers from The Aspira Association, Inc. (Note 4) | - | 70,898 | - |
| Community, including United Way (Note 6) | 41,946 | 62,000 | 103,946 |
| Miscellaneous | 9,617 | - | - |
| Transfers of administrative overhead | <u>9,061</u> | <u>(9,061)</u> | <u>-</u> |
| Total public support, grants and revenue | 259,349 | 546,250 | 809,793 |
| Expenses: | | | |
| Program Services: | | | |
| Health career opportunities | 742 | 44,216 | - |
| Math and science programs | - | 75,445 | - |
| Other career and educational counseling | <u>20,369</u> | <u>427,801</u> | <u>-</u> |
| Total program services | 21,111 | 547,462 | - |
| Supporting Services: | | | |
| Management and general | 163,035 | - | 185,942 |
| Fund raising | <u>67,932</u> | <u>-</u> | <u>499</u> |
| Total supporting services | 230,967 | - | 254,373 |
| Total expenses | 252,078 | 547,462 | 822,946 |
| Excess (Deficiency) of public support, grants and revenue over expenses | 7,271 | (1,212) | (13,153) |
| Transfers from (to) other funds | 40 | (40) | - |
| Transfers to building fund | (86,084) | - | (86,084) |
| Fund balances, beginning of period | 209,436 | 5,989 | 59,939 |
| Fund balances, end of period | <u>\$ 130,663</u> | <u>\$ 4,737</u> | <u>\$ 40,727</u> |
| | | | <u>\$ 176,127</u> |

The accompanying notes are an integral part of these financial statements.

ASPIRA, INC. OF NEW JERSEY

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 1991

| | P Health | R career | O opportunities | G | R | A | M |
|---|-------------|-------------|--------------------|---|-----------|---|---|
| Salaries | | \$ 36,728 | | | \$ 38,407 | | |
| Payroll taxes and fringe benefits | | 5,886 | | | 7,960 | | |
| Total salaries and related costs | | 42,614 | | | 46,367 | | |
| Board activities and meetings | | - | | | - | | |
| Contributions and community support | | - | | | - | | |
| Educational and program materials | | 352 | | | 1,161 | | |
| Insurance | | - | | | - | | |
| Interest | | - | | | - | | |
| Occupancy, utilities and maintenance | | 1,071 | | | 7,702 | | |
| Printing and publications | | - | | | 350 | | |
| Professional fees and contractual services | | - | | | 7,776 | | |
| Program activities, seminars and workshops | | 336 | | | 2,397 | | |
| Scholarships and stipends | | 348 | | | 3,314 | | |
| Supplies and equipment rental | | - | | | 1,460 | | |
| Telephone and postage | | - | | | 2,602 | | |
| Travel and meetings | | 237 | | | 2,316 | | |
| Miscellaneous | | - | | | - | | |
| Total expenses before depreciation and amortization | | 44,958 | | | 75,445 | | |
| Depreciation and amortization | | - | | | - | | |
| | | \$ 44,958 | | | \$ 75,445 | | |

The accompanying notes are an integral part of these financial statements.

| S E R V I C E S | SUPPORTING SERVICES | | | | | |
|---|---------------------|---------------------------|------------------|-------------------|-------------------|---------|
| Other career and educational counseling | Total | Management and general | Fund raising | Total | TOTAL EXPENSES | |
| \$ 239,617 | \$ 314,752 | \$ 45,561 | \$ 18,115 | \$ 63,676 | \$ 378,428 | |
| <u>53,028</u> | <u>66,874</u> | <u>11,999</u> | <u>1,793</u> | <u>13,792</u> | <u>80,666</u> | |
| 292,645 | 381,626 | 57,560 | 19,908 | 77,468 | 459,094 | |
| - | - | 1,457 | - | 1,457 | 1,457 | |
| - | - | 728 | - | 728 | 728 | |
| 3,011 | 4,524 | - | - | - | 4,524 | |
| 1,450 | 1,450 | 6,730 | - | 6,730 | 8,180 | |
| - | - | 70 | - | 70 | 70 | |
| 38,431 | 47,204 | 28,397 | 3,437 | 31,834 | 79,038 | |
| 548 | 898 | 1,988 | 11,947 | 13,935 | 14,833 | |
| 41,319 | 49,095 | 42,752 | 24,282 | 67,034 | 116,129 | |
| 10,633 | 13,366 | - | - | - | 13,366 | |
| 23,135 | 26,797 | - | - | - | 26,797 | |
| 11,562 | 13,022 | 9,746 | 3,292 | 13,038 | 26,060 | |
| 9,174 | 11,776 | 6,532 | 5,066 | 11,598 | 23,374 | |
| 14,022 | 16,575 | 6,852 | - | 6,852 | 23,427 | |
| - | - | 223 | - | 223 | 223 | |
| xx X | 445,930 | 566,333 | 163,035 | 67,932 | 230,967 | 797,300 |
| 2,240 | 2,240 | 22,907 | 499 | 23,406 | 25,646 | |
| <u>\$ 448,170</u> | <u>\$ 568,573</u> | <u>\$ 185,942</u> | <u>\$ 68,431</u> | <u>\$ 254,373</u> | <u>\$ 822,946</u> | |

ASPIRA, INC. OF NEW JERSEYSTATEMENT OF CHANGES IN FINANCIAL POSITIONYEAR ENDED JUNE 30, 1991

| | CURRENT FUNDS | | FIXED ASSET FUND | TOTAL ALL FUNDS |
|--|---------------|------------|------------------------|-----------------------|
| | Unrestricted | Restricted | ----- | ----- |

Resources Provided:

From Operations:

| | | | | |
|---|----------|------------|-------------|-------------|
| Excess (Deficiency) of public support, grants and revenue over expenses | \$ 7,271 | \$ (1,212) | \$ (19,212) | \$ (13,153) |
| Transfers from (to) other funds | 40 | (40) | - | - |
| Transfers to building fund | (86,084) | - | - | (86,084) |
| Add: Items not using resources, depreciation and amortization | - | 2,240 | 23,406 | 25,646 |

| | | | | |
|------------------------------------|----------|-----|-------|----------|
| Resources provided from operations | (78,773) | 988 | 4,194 | (73,591) |
|------------------------------------|----------|-----|-------|----------|

Other Resources Provided:

Decrease In:

| | | | | |
|--------------------|-------|--------|---|--------|
| Grants receivable | 1,000 | 10,626 | - | 11,626 |
| Interfund transfer | - | 9,188 | - | 9,188 |

Increase In:

| | | | | |
|---------------------------------------|--------|-------|---|--------|
| Other assets | 2,756 | 500 | - | 3,256 |
| Grant advances | 130 | - | - | 130 |
| Due from The Aspira Association, Inc. | - | 2,673 | - | 2,673 |
| Building fund | 86,084 | - | - | 86,084 |

| | | | | |
|--------------------------|--------|--------|-------|--------|
| Total resources provided | 11,197 | 23,975 | 4,194 | 39,366 |
|--------------------------|--------|--------|-------|--------|

Resources Used:

| | | | | |
|--------------------------------|-------|---|---|-------|
| Increase in interfund transfer | 9,188 | - | - | 9,188 |
|--------------------------------|-------|---|---|-------|

Decrease In:

| | | | | |
|---|-------|--------|-------|--------|
| Accounts payable and accrued expenses | 1,275 | 3,169 | - | 4,444 |
| Accrued payroll taxes | 1,047 | - | - | 1,047 |
| Grant advances | - | 29,115 | - | 29,115 |
| Acquisition of property, equipment and improvements | - | 1,592 | 4,194 | 5,786 |

| | | | | |
|----------------------|--------|--------|-------|--------|
| Total resources used | 11,510 | 33,876 | 4,194 | 49,580 |
|----------------------|--------|--------|-------|--------|

| | | | | |
|-----------------------------|----------|------------|---|-------------|
| Increase (Decrease) in cash | \$ (313) | \$ (9,901) | - | \$ (10,214) |
|-----------------------------|----------|------------|---|-------------|

The accompanying notes are an integral part of these financial statements.

ASPIRA, INC. OF NEW JERSEY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

YEAR ENDED JUNE 30, 1991

Aspira, Inc. of New Jersey is a not for profit corporation organized under the laws of the State of New Jersey on December 26, 1968 and is exempt from paying corporate income taxes under Section 501 (c) (3) of the U.S. Internal Revenue Code. It is classified as other than a private foundation.

Contributions and Grants:

Contributions are recorded upon notification by the donor. Grants are recorded on either a cost-reimbursement basis, to the extent that funds are expended in accordance with approved budget purposes, or on the basis of performance under the grant contract. Grant funds received in excess of recognizable income are designated for use in future periods and are recorded as grant advances. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Grant funds are restricted to uses specified in the grant contracts.

Donated Materials:

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt.

Cash and Interfund Transfer:

The agency maintains four checking accounts, two of which pool funds for restricted and unrestricted use. The accountability for cash is maintained through the use of interfund accounts which reflect the cash available to each fund.

Property, Equipment Improvements and Depreciation and Amortization:

The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The cost of leasehold improvements is amortized over the lesser of the length of the related leases or the estimated useful lives of the assets. Depreciation is computed on the straight-line method.

ASPIRA, INC. OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

| | CURRENT FUNDS | FIXED ASSET FUND | TOTAL ALL FUNDS |
|---|---------------|------------------------|-----------------------|
| | Unrestricted | Restricted | ----- |
| 1 <u>Property, equipment and improvements (net)</u> | | | |
| Office equipment | - | \$ 28,178 | \$ 114,094 |
| Leasehold improvements | - | - | 9,955 |
| | | | 9,955 |
| Less: Accumulated depreciation and amortization | - | 28,178 | 124,049 |
| | - | 23,398 | 83,322 |
| | - | | 106,720 |
| | | | |
| | | \$ 4,780 | \$ 40,727 |
| | | | \$ 45,507 |

Acquisitions during the year amounted to \$5,786, of which \$4,194 was donated. Depreciation and amortization expense amounted to \$25,646.

2 Other assets

| | | | | |
|----------------------------------|----------|--------|---|----------|
| Due from Aspira of Florida, Inc. | \$ 1,000 | - | - | \$ 1,000 |
| Other receivables | 125 | - | - | 125 |
| Security deposits | 5,000 | 600 | - | 5,600 |
| Prepaid expenses | 2,072 | - | - | 2,072 |
| | | | | |
| | \$ 8,197 | \$ 600 | - | \$ 8,797 |

Aspira of Florida, Inc. is an affiliate of The Aspira Association, Inc. (Note 4)

3 Commitments and contingencies

Property, equipment and improvements on which donor-imposed restrictions or conditions exist are recorded in the donor-restricted fund. The various funding sources may retain a reversionary interest in the property and equipment purchased with their funds, as well as the right to determine the use of any proceeds from the sale of such assets.

The agency is subject to financial and compliance audits by regulatory agencies which may result in disallowance or adjustments to expenditures. Disallowances, if any, may result in the return of portions of restricted grants to the respective funding sources.

(Continued on next page.)

ASPIRA, INC. OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

3 (Continued from previous page.)

The programmatic records of two restricted grants indicate that the performance levels contracted for by the grantor, the State of New Jersey Department of Community Affairs, have not been met by the agency. Management has no indication as to whether or not the Department will take any action in connection therewith.

The agency leases office equipment and office space under operating leases expiring between 1992 and 1996.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 1991, for each of the next five years and in the aggregate are:

Year ended June 30:

| | |
|--------------------------------------|------------------|
| 1992 | \$ 21,141 |
| 1993 | 21,049 |
| 1994 | 17,286 |
| 1995 | 12,086 |
| 1996 | <u>2,011</u> |
| Total minimum future rental payments | <u>\$ 73,573</u> |

Rental expense for the year amounted to \$60,755.

4 Associated organization

The agency is an associate of The Aspira Association, Inc., an organization with which the agency subcontracts certain grant programs. During the year, a total of \$46,477 was transferred by The Aspira Association, Inc., in the form of subcontracted grants received from the U.S. Department of Health and Human Services and the Pew Memorial Trust, to fund the Health Career Opportunities program. A Total of \$24,421 in subcontracted grants received from the U.S. Department of Education and the Ford Foundation, was transferred to fund Other Career and Educational Programs.

ASPIRA, INC. OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

5 Building fund

The Board of Directors has decided to appropriate the results of the several prior and current year fund raising events towards the acquisition of an office building. (Note 3) The appropriations were made from the unrestricted fund. Total appropriations to date amount to \$86,084.

6 Unrestricted revenue

The unrestricted amount of Community revenue includes the results of the following fund raising events:

| | | |
|---|--|-------------------------|
| Luncheon: | | |
| Revenue | | \$ 32,425 |
| Less: Direct expenses | | <u>9,792</u> |
| | | <u>\$ 22,633</u> |
| Carnival: | | |
| Revenue | | 24,088 |
| Less: Direct expenses | | <u>11,305</u> |
| | | <u>12,783</u> |
| Current year collections made on prior year events | | <u>1,263</u> |
| | | <u><u>\$ 36,679</u></u> |

7 Subsequent events

The building currently being leased as the agency's main office contains an option to purchase the building in the lease. The option was exercised subsequent to June 30, 1991 by a related party foundation. The purchase price together with the repairs and improvements contemplated is expected to approximate \$1,200,000.

SOL MASCH & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

1800 GRAND AVENUE

BALDWIN, NEW YORK 11510

INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL AWARDS

To the Board of Directors of
Aspira, Inc. of New Jersey

We have audited the basic financial statements of Aspira, Inc. of New Jersey (a nonprofit organization), for the year ended June 30, 1991, and have issued our report thereon dated October 4, 1991. We conducted our audit in accordance with generally accepted auditing standards, the Government Auditing Standards issued by the Comptroller General of the United States, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations."

The audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sol Masch + Company

Baldwin, New York
4 October 1991

ASPIRA, INC. OF NEW JERSEY
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 1991

| <u>PROGRAM TITLE</u> | <u>FEDERAL CFDA NUMBER</u> | <u>DISBURSEMENTS/ EXPENDITURES</u> |
|---|------------------------------------|--|
| <u>Other Federal Assistance</u> | | |
| Federal, state, and local partnerships for education improvement | 84.151 | \$ 47,418 |
| School dropout demonstration assistance | 84.201 | 9,092 |
| Health careers opportunity program | 93.822 | 39,333 |
| TOTAL | | \$ 95,843 |

SOL MASCH & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

1930 GRAND AVENUE

BALDWIN, NEW YORK 11590

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Aspira, Inc. of New Jersey

We have audited the financial statements of Aspira, Inc. of New Jersey (a nonprofit organization) for the year ended June 30, 1991, and have issued our report thereon dated October 4, 1991.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Aspira, Inc. of New Jersey for the year ended June 30, 1991, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

During the year ended June 30, 1991, Aspira, Inc. of New Jersey had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor federal financial assistance programs: Federal, state, and local partnerships for education improvement; School dropout demonstration assistance; and Health careers opportunity program. As required by OMB Circular A-133, our consideration of the internal control structure also included--

1. Test of controls to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the

- * aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.
- 2. Obtaining an understanding of (a) the design of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Organization's other nonmajor federal financial assistance programs and (b) whether they have been placed in operation.

The management of Aspira, Inc. of New Jersey is responsible for establishing and maintaining internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories: treasury, revenue/receipts, purchase/disbursements, and internal reporting.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements or to administer federal financial assistance programs in accordance with applicable laws and regulations.

1. Certain documentation expected to be found in personnel files was not always present. Specifically, we noted instances in which Forms I-9, which document employment eligibility, were filled out incorrectly; and instance of an unsigned time sheet; and two instances in which salaries were charged to budgets other than those documented in the personnel files and payroll authorization forms.

Documentation filed in personnel files comprises much of the information necessary to provide the audit trail concerning the organization's largest expenditure. Additionally, an organization constrained to operate within various budgetary limits which change throughout the year must take all the more care in carefully documenting which budgets are to be charged with an individual's payroll expense. Lapses may lead to cost disallowances.

Documentation in personnel files should be maintained as meticulously as possible. Personnel files should contain the employment application, pay rates, changes in pay rates and position, authorizations for payroll deductions, Form W-4, employment eligibility, and termination data where applicable.

2. In reviewing compliance reports prepared for certain funding sources, we noted instances in which reported items deviated from the organization's actual programmatic records. In one case, the report preparer was unable either to explain or reproduce certain items from the report.

The programmatic reports provide much of the information funding sources might use to determine if their grant is properly administered and if programmatic goals are met.

We recommend that programmatic reports be reviewed either by the program director or executive director and that particular attention be given to the relationship between the items reported and the requirements in the particular grant contract.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in the amounts that would be material in relation to the financial statements being audited or that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

* This report is intended for the information of the board of directors and management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sol March + Company

Baldwin, New York
4 October 1991

SOL MASCH & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

1830 GRAND AVENUE

BALDWIN, NEW YORK 11510

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Directors
Aspira, Inc. of New Jersey

In connection with our audit of the 1991 financial statements of Aspira, Inc. of New Jersey (a nonprofit organization), and with our obtaining an understanding of the organization's internal control structure elements related to administering federal financial assistance programs, as required by the Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1991. As required by Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the organization's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Aspira, Inc. of New Jersey had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors and management. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the board of directors, is a matter of public record.

Sol Masch + Company

Baldwin, New York
4 October 1991